



# UNC Tuition Options – Fiscal Brief Update

February 1, 2010

## Fiscal Brief

The 2009 General Assembly adopted many of the policy options presented in UNC Tuition Options, a [January 2009 Fiscal Brief](#). Detailed below are the budgetary and statutory changes included in the 2009 Appropriations Act (Session Law 2009-451, Senate Bill 202).

### **Option 1: Legislative Tuition Increase**

The General Assembly increased tuition by the lesser of \$200 or 8% at UNC institutions for FY 2010-11 in order to generate \$34.8 million in tuition receipts. General Fund appropriations to the campuses were cut \$34.8 million in order for the tuition increase to benefit the State budget in FY 2010-11. UNC campuses were allowed to proceed with their own campus-initiated tuition increases approved by the UNC Board of Governors for FY 2009-10. However, Section 9.23(a) of S.L. 2009-451 prohibits the UNC system schools from increasing tuition on North Carolina resident students in for FY 2010-11.

### **Option 2: Tuition Waivers and Exemptions**

- ***Faculty/Staff Waiver*** – Section 9.21 of S.L. 2009-451 reduces the number of free courses taken each year by faculty and staff in the UNC system from three to two. This change is effective beginning in FY 2009-10 and is anticipated to save \$700,000 each year.
- ***School of Science and Math Graduates Waiver*** – The tuition waiver for graduates of the North Carolina School of Science and Mathematics was repealed by Section 9.6 of S.L. 2009-451. The repeal is effective beginning with the junior class enrolling in the high school in FY 2009-10. The elimination of the waiver will save the State approximately \$3.1 million annually when the program is completely phased out in five years.
- ***Special Talent Waiver*** – Section 9.22 of S.L. 2009-451 eliminated the special talent waiver for athletics, but maintained the waiver for students with special talent in academics and performing arts. This change is expected to save the state \$300,000 a year.
- ***Senior Citizen Tuition Waiver*** – The tuition waiver for citizens over age 65 was repealed by section 8.11(a) of S.L. 2009-451. This change is expected to save the state \$300,000 a year.
- ***SREB Contract*** – No changes were made in S.L. 2009-451, but the UNC system and the Office of State Budget and Management followed through on the 2008 legislative directive<sup>1</sup> to phase out the contract with the Southern Regional Education Board (SREB) for student seats in out-of-state optometry schools. Future optometry students will apply for assistance through the North Carolina Student Loan Program for Health, Science, and Mathematics.

<sup>1</sup> 2008 Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets